

Date of Hearing: April 2, 2025

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

AB 941 (Zbur) – As Introduced February 19, 2025

**SUBJECT:** California Environmental Quality Act: electrical infrastructure projects

**SUMMARY:** Requires the California Public Utilities Commission (CPUC) to expedite the environmental review process for an electrical infrastructure project designated as a “priority project” as defined.

Specifically, **this bill:**

- 1) Defines “Priority project” as any electrical infrastructure project that is one or more of the following:
  - i) Approved by the California Independent System Operator (CAISO) in a transmission plan.
  - ii) Required for the purpose of interconnection of renewable generation resources to the electrical grid.
  - iii) A system upgrade project included in a CAISO cluster study.
  - iv) Substation projects identified as necessary to support anticipated load growth as a result of the electrification of the state’s energy supply.
- 2) Defines “Electrical infrastructure project” or “project” as a project for the construction and operation of an electrical transmission line or power line, as defined by the commission’s General Order 131-E, and associated infrastructure, including substations and ancillary facilities, that requires discretionary approval by the commission pursuant to Section 1001 or the commission’s General Order 131-E or its successor.
- 3) Requires the CPUC to determine whether to certify an environmental impact report for an electrical infrastructure project that is a priority project, as defined, no later than 270 days after the CPUC determines that an application for an electrical infrastructure project is complete, except as specified.
- 4) Requires a project applicant to identify an electrical infrastructure project that is a priority project and the basis for the designation in the application to the CPUC.
- 5) Requires the CPUC staff to review an application for a priority project no later than 30 days after it is filed and notify the applicant in writing of any deficiencies in the information and data submitted in the application.
- 6) Requires a project applicant to correct any deficiencies or notify the CPUC in writing why it is unable to, as specified, within 60 days of that notification.
- 7) Requires the CPUC to deem an application for a priority project complete with a preliminary ruling setting the scope and schedule, as provided.

**EXISTING LAW:**

- 1) Vests the CPUC with regulatory authority over public utilities, including electrical corporations. (California Constitution, Article XII)
- 2) Requires the CPUC to certify the “public convenience and necessity” for a transmission line over 200 kilovolts (kV) before an electrical corporation may begin construction (This process is known as a Certificate of Public Convenience and Necessity, or CPCN. The CPCN process includes California Environmental Quality Act (CEQA) review of the proposed project. The CPCN confers eminent domain authority for construction of the project. A CPCN is not required for the extension, expansion, upgrade, or other modification of an existing electrical transmission facility, including transmission lines and substations. (Public Utilities Code § 1001)
- 3) Specifies that the certificate is not required for the extension, expansion, upgrade, or other modification of existing electrical transmission facilities. (Public Utilities Code § 1001)
- 4) Requires an electrical corporation to obtain a discretionary permit to construct (PTC) from the CPUC for electrical power line projects between 50-200 kV. A PTC may be exempt from CEQA pursuant to CPUC orders and existing provisions of CEQA. Electrical distribution line projects under 50 kV do not require a CPCN or PTC from the CPUC, nor discretionary approval from local governments, and therefore are not subject to CEQA. (CPUC General Order (GO) 131-E).
- 5) Requires, pursuant to the CEQA, lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. CEQA includes several statutory exemptions, as well as categorical exemptions in the CEQA Guidelines. (Public Resources Code §21000 *et seq.*)
- 6) Requires the CEQA Guidelines to include a list of classes of projects that have been determined by the Secretary of the Natural Resources Agency to not have a significant effect on the environment and that shall be exempt from CEQA. (Public Resources Code § 21084) The list of "categorical exemptions" includes:
  - a. Repair and maintenance of existing public or private facilities, involving negligible or no expansion of use, including existing facilities of both investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services. (Guidelines 15301)
  - b. Replacement or reconstruction of existing facilities on the same site with the same purpose and capacity, including existing utility systems and/or facilities involving negligible or no expansion of capacity. (Guidelines 15302)
  - c. New construction or conversion of small structures, including electrical, gas, and other utility extensions of reasonable length to serve such construction. (Guidelines 15303)

- 7) Defines “project” as an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, including an activity that involves the issuance of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies. (Public Resources Code § 21065)
- 8) For such projects subject to state agency review, requires the lead state agency to establish time limits that do not exceed one year for completing and certifying EIRs and 180 days for completing and adopting negative declarations. Requires these time limits to be measured from the date on which an application is received and accepted as complete by the state agency. (Public Resources Code § 21000.2)
- 9) Establishes the policy (100% Clean Energy Policy, or SB 100 Policy) of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035. (Public Utilities Code § 454.53)
- 10) Establishes the AB 205 (Committee on Budget, Chapter 61, Statutes of 2022) “Opt-in” permitting process at the CEC for certain clean energy projects, including certain transmission facilities. With this certification, environmental review must be completed by the CEC in 270 days, and actions or proceedings related to the certification of an environmental impact report need to be resolved within 270 days to the extent feasible. (Public Resources Code § 25545 et seq.)

**FISCAL EFFECT:** Unknown. This bill is keyed fiscal and will be referred to the Committee on Appropriations for its review.

**CUSTOMER COST IMPACTS:** This measure aims to expedite the environmental review timeline for certain electrical infrastructure projects by imposing a 270-day deadline for the CPUC permitting process. Accelerating timelines may help lower overall project costs, which could ultimately lead to cost savings for ratepayers.

## **BACKGROUND:**

*The Case for More Transmission in California.* SB 100 (De León, Chapter 312, Statutes of 2018), also known as the “100% Clean Energy Act of 2018,” established a landmark policy that renewable and zero-carbon resources supply 100% of retail sales and electricity procured to serve all state agencies by 2045 (the 100% Clean Energy Policy).<sup>1</sup> This policy has been updated under SB 1020 (Laird, Chapter 361, Statutes of 2022), and among other requirements, established interim targets to meet the sector-wide 100% goal. The SB 100 report noted that in order to meet state clean energy and climate goals, California will need to roughly triple its current electricity capacity. <sup>2</sup>Specifically, the report projects that the state will need to add

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<sup>1</sup> Public Utilities Code §454.53

<sup>2</sup> Pg. 10, CEC, CPUC, & CARB; “Achieving 100% Clean Electricity in California,” 2021 SB 100 Joint Agency Report Summary: An Initial Assessment, March 2021

approximately 6 gigawatts (GW) of new renewable capacity annually, nearly double the historical average.<sup>3</sup> Meeting these ambitious targets over the next two decades presents a significant undertaking. A study conducted by the Clean Air Task Force and the Environmental Defense Fund concluded that, at a minimum, transmission capacity must double by 2045 to accommodate new renewables and ensure grid reliability. However, the current transmission development process is often convoluted and plagued by delays, taking over a decade from initial planning to project completion. Without meaningful reforms to the current transmission development process, California is unlikely to meet its clean energy and climate goals.

*Recent Integrated Resource Planning (IRP) framework.* To achieve procurement targets for SB 100, the California Public Utilities Commission, adopted an Integrated Resource Plan (IRP)<sup>4</sup> planning process that runs on a two-year cycle. In February 2024, the CPUC adopted a decision in its integrated resource planning that meets a statewide 25 million metric ton (MMT) greenhouse gas (GHG) target for the electric sector by 2035.<sup>5</sup> The decision represents the most aggressive target *identified by CARB, which identifies that 56,000 megawatts of clean new resources are needed by 2035.* The CPUC also recommended to the California Independent System Operator (CAISO) that the resource portfolio achieving the 25 MMT GHG goal be the foundation for planning transmission investments – utilized as both the reliability base case and the policy-driven base case for study in its 2024-2025 Transmission Planning Process (TPP).

*CAISO 20-year Transmission Outlook.* In January 2022, CAISO in collaboration with the CPUC and the CEC created a 20-Year Transmission Outlook to examine longer-term grid requirements and options for meeting the State’s clean energy and climate goals reliably and cost-effectively.<sup>6</sup> Given the lead times needed for these facilities primarily due to right-of-way acquisition and environmental permitting requirements, the CAISO has found that the “longer-term blueprint is essential to chart the transmission planning horizon beyond the conventional 10-year timeframe,”<sup>7</sup> as used in the annual transmission plans. The resulting plan estimated over \$30 billion in cost would be needed to meet our 2045 clean energy goals including:<sup>8</sup>

- \$10.7 billion for upgrades to existing infrastructure,
- \$8.1 billion for offshore wind integration, and;
- \$11.6 billion for out-of-state wind integration.

The CAISO noted the *20-Year Outlook* would provide a baseline to guide long-term planning, but cautioned that resource planning and procurement will likely differ over the years relative to the assumptions made in the report.

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<sup>3</sup> CARB, “California releases report charting path to 100 percent clean electricity.”

<https://ww2.arb.ca.gov/news/california-releases-report-charting-path-100-percent-clean-electricity>

<sup>4</sup> IRP provides the umbrella process by which the CPUC oversees long-term procurement for its regulated load-serving entities (electrical corporations, community choice aggregators, and electric service providers), which serve approximately 75% of the state. The intent of this process is to ensure system needs are being met by the sum actions of the many LSEs in that system. The IRP looks a decade or more into the future.

<sup>5</sup> Proposed Decision issued 2/15/2021 in IRP Proceeding, Rulemaking 20-05-003

<sup>6</sup>CAISO 20-Year Transmission Outlook, January 31, 2022; <http://www.caiso.com/InitiativeDocuments/Draft20-YearTransmissionOutlook.pdf>

<sup>7</sup> Pg. 1, *Ibid*

<sup>8</sup> Pg. 3, *Ibid*

*CAISO's 2023-2024 Transmission Plan.* The CAISO's TPP released in May 2023<sup>9</sup>, calls for 85 GW of new resources in the next decade.<sup>10</sup> The plan is centered on California's greenhouse gas reduction goals and anticipated load growth including the potential for increased electrification needs.<sup>11</sup>

- 26 transmission projects with a total cost of \$6.1 billion, ranging in individual cost from \$4.6 billion to \$ 1.5 billion.
- Pursuant to CAISO's FERC tariff, only 2 of these projects were eligible for competitive solicitation.
- The reliability and policy projects included 26 that can meet the increase in electrification needs.
- This plan does not recommend any projects based solely on economic considerations.

*The Transmission Permitting Process.* Usually, utilities proposing the construction of new transmission are required to obtain a permit from the CPUC for construction of certain specified infrastructures listed under Public Utilities Code §1001, including transmission projects. The CPUC reviews permit applications under two concurrent processes:

- 1) An environmental review of applicable projects pursuant to CEQA and CPUC environmental rules. Some projects may also trigger a federal National Environmental Policy Act (NEPA); the federal equivalent of CEQA, if they cross federal land or use federal funds.
- 2) The review of project needs and costs according to Public Utilities Code §1001 and General Order (GO) 131-E, also known as a Certificate of Public Convenience and Necessity (CPCN), or—depending on project size—a Permit to Construct (PTC).
  - Projects below 50 kV are considered distribution projects, rather than transmission projects, and in general do not require CPUC approval.
  - Projects between 50 kV and 200 kV require a PTC, which consists primarily of an environmental review pursuant to CEQA. The CPUC process generally does not require a detailed analysis of the need for or economics of these projects.
  - Projects over 200 kV require a CPCN and are consistently subject to complete CEQA review, including an EIR. The CPCN process analyzes the need and the economics of the project, as well as the environmental impacts of the project.

*Developer Submits Draft CEQA to CPUC.* New reforms pursuant to GO 131-E currently allow transmission project applicants to submit their own draft versions of CEQA documents along

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<sup>9</sup> CAISO; “2023-2024 Transmission Plan”, May 23,2024; <https://www.caiso.com/documents/iso-board-approved-2023-2024-transmission-plan.pdf>

<sup>10</sup> The CPUC-provided portfolio calls for 85 GW of installed capacity, beyond its baseline of existing resources and resources already contracted for and under development

<sup>11</sup> The CEC adopted the 2021 IEPR Energy Demand Forecast, 2021-2035 on January 26, 2022 [<https://www.energy.ca.gov/datareports/reports/integrated-energy-policy-report/2021-integrated-energy-policy-report/2021-1>] The CEC subsequently adopted 2021 IEPR Additional Transportation Electrification Scenario that on July 1, 2022, the CEC and CPUC requested the ISO utilize in the 2022-2023 Transmission Plan. (<http://www.caiso.com/InitiativeDocuments/2022-2023TransmissionPlanningProcessPortfolioTransmittalLetter.pdf>)

with their transmission project applications, in lieu of a Proponent's Environmental Assessment. Prior to this modification, CPUC staff would create draft environmental reports that were similar to the transmission applicant's environmental assessment —leading to duplicative work.

*California Environmental Quality Act (CEQA) Review Process.* CEQA was enacted in 1970 and requires public agencies<sup>12</sup> to evaluate the environmental impacts of development projects before approving plans, policies, or development projects. In broad strokes, CEQA requires state and local government agencies to inform decision-makers and the public about the potential environmental impacts of proposed projects, recommends ways to reduce those environmental impacts to the extent feasible, and evaluates alternatives to the project.

A proposal will only trigger CEQA review if it involves the exercise of discretionary powers and results in a direct, or reasonably foreseeable indirect, physical impact on the environment.<sup>13</sup> There are three general buckets of CEQA-eligible projects:

- Exempted from CEQA – projects that either have a categorical exemption (projects that belong to a category that have been found by the Secretary of Natural Resources to not have a significant impact on the environment are exempt from CEQA) or a statutory exemption (projects that have been granted exemptions by the Legislature). The public agency may file a notice of exemption, and no further actions are required.<sup>14</sup>
- Subject to a Negative Declaration (ND) or Mitigated Negative Declaration (MND) – If a project does not qualify for an exemption, it must undergo an initial review to determine if it may have a “significant” environmental impact, based on 21 environmental factors. If the agency finds that the project would not have a significant impact on the environment or that revisions to the project will mitigate potential impacts, the lead agency may file a negative declaration (ND) or mitigated negative declaration (MND).<sup>15</sup>
- Subject to an Environmental Impact Report (EIR) – a detailed statement describing and analyzing the significant environmental effects of a project and discussing ways to mitigate or avoid the effects. Projects that involve both state and federal agency decisions will trigger both CEQA and NEPA, the federal equivalent of CEQA. For certain projects that are subject to both CEQA and NEPA, the lead agency may file a joint document that covers both. The EIR process involves the lead agency producing a draft document outlining the environmental impacts of a project, any available mitigation measures, and a consideration of less environmentally impactful alternatives. The draft document must then be released for public comment. The lead agency must revise the EIR or submit a response to the comments prior to certifying the final EIR.<sup>16</sup>

CEQA directs public agencies to complete and certify an EIR within one year of the project application and 180 days for completing and adopting negative declarations. These limits are measured from the date on which an application is received and accepted as complete by the lead

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<sup>12</sup>Public Resources Code, § 21063 defines Public agency as any state agency, board, or commission, any county, city and county, city, regional agency, public district, redevelopment agency, or other political subdivision.

<sup>13</sup> 14 CCR Section 15060 (c)

<sup>14</sup> 14 CCR Section 15062

<sup>15</sup> Gentry v. City of Murrieta (1995) 36 Cal.App. 4th 1359

<sup>16</sup> 14 CCR Section 15088

agency. Agencies may provide for a reasonable extension in the event that compelling circumstances justify additional time and the project applicant consents.

Under CEQA, any person or entity can challenge the adequacy or accuracy of an EIR. Most CEQA lawsuits must be brought within 30 days of the approval of the final EIR.<sup>17</sup> CEQA cases are argued based on a comprehensive document, the administrative record, which contains all the pertinent information that the judge needs to evaluate the merit of the lawsuit.

*CPUC CEQA Report.* According to CPUC data shown in Table 1 below, from 2012 to 2023, of a total of 664 projects that required CPUC review: 608 projects were exempt from CEQA, 29 projects were approved via ND/MND, and 27 required an EIR. This represents that over 90% of Investor-owned utility (IOU) projects over the last decade were exempt from CEQA, not even counting the thousands of projects < 50 kV that do not require any review from the CPUC. Of the projects that had to go through a full EIR, over half of them were subject to NEPA. However in February 2025, the White House Council on Environmental Quality rescinded NEPA’s regulations, and simultaneously issued new guidance to federal agencies for revising their NEPA implementing procedures consistent with the NEPA statute and President Trump’s Executive Order 14,154 (Unleashing American Energy). Moving forward, NEPA’s role in regulating energy projects will likely be very different. Most projects are reviewed through the CPUC’s advice letter approval process, which tends to be more simplified and expedient than a full application for a CPCN.

**Table 1:** CPUC CEQA Report<sup>18</sup>

Years	Categorical Exemption <sup>19</sup>	Statutory Exemption	Negative Declaration/Mitigated Negative Declaration	EIR	Joint EIR/NEPA	Total
2012-2023	602	6	29	27	14	664

*Updated CPUC’s GO 131-E (formerly GO 131-D)*<sup>20</sup>. GO 131-E was first adopted in 1970 and last updated in 1995. It establishes the criteria to be followed to trigger the need for a permit to

<sup>17</sup> Public Utilities Code § 451,701,702,761, 762,768,770, and 1001

<sup>18</sup> From a data request to the CPUC by this committee on March 29, 2023

<sup>19</sup> According to the CPUC, this column represents categories for projects where the applicant utility filed at the CPUC via Advice Letter to note they were taking an exemption to a CEQA document requirement process. There are a variety of exemptions claimed, including categorical exemptions. They CPUC does not track the type of exemptions claimed per Advice Letter.

<sup>20</sup> On January 30, 2025, the California Public Utilities Commission (CPUC) adopted a decision intended to streamline the approval of electric transmission projects and related grid upgrades across the state. These critical updates are part of a broader effort to advance California’s clean energy goals by improving how transmission infrastructure is planned, permitted, and constructed. As part of the decision, the CPUC adopted a new General Order (GO) 131-E, replacing the previous GO 131-D. The new order establishes updated rules for the permitting, approval, and construction of electric transmission lines, substations, and generation facilities. It also clarifies and streamlines the regulatory process, as directed by Senate Bill (SB) 529 (Hertzberg, 2022)

construct (PTC) or renovate electrical facilities, including transmission lines and substations, and also sets out public notice requirements for proposed transmission projects.<sup>21</sup>

*GO 131-E.* Since the last update of GO131-E in 1995, the energy landscape and infrastructure planning process have evolved significantly. In the last decade, there has been the energy crisis, energy deregulation, formation of CAISO, and significant increase in new renewable energy generation. SB 529 (Hertzberg, Chapter 357, Statutes of 2022)<sup>22</sup> sought to revise the permitting process at the CPUC. The bill directed the CPUC to revise GO 131-D to authorize a utility to use the PTC process or claim an exemption to seek approval to construct an extension, expansion, upgrade, or other modification to its existing transmission facilities regardless of the voltage level by January 1, 2024. However, CEQA still applies. In May 2023, the CPUC opened a rulemaking to solicit comments that would revise the GO 131-D rules to accommodate this legislation.<sup>23</sup> Based on the feedback, the assigned commissioner determined the issues to be considered in the proceeding should be separated into two phases.

Phase 1 includes consideration of changes to GO 131-D necessary to conform it to the requirements of SB 529 and updates to outdated references. Phase 2 included consideration of all other changes to GO 131-E proposed by Commission staff or other stakeholders during the course of this proceeding. Phase 1 was reviewed on an expedited basis to meet the SB 529 deadline and was subsequently approved on December 14, 2023.

*Settlement Agreement.* According to the CPUC, a settlement agreement is a compromise of disputed claims intended to minimize the time, cost, and uncertainty associated with further enforcement proceedings or potential appeals. In September 2023, SCE, PG&E, and SDG&E filed a proposed settlement agreement on behalf of several stakeholders<sup>24</sup> that necessitated additional reforms to GO-131 D. These include:

- Establishes a rebuttable presumption for CAISO-approved transmission projects during CPCN review by the CPUC, thereby eliminating duplicate analyses of a project's purpose and need. This requirement is derived from AB 1373 (Garcia, 2023), which established a rebuttable presumption for the expected need for a transmission project within the CPUC's CPCN licensing review if that project is deemed necessary during the CAISO's Transmission Planning Process ("TPP").
- Eliminate the requirement that applicants draft a Proponent's Environmental Assessment (PEA) *in addition to* the CPUC drafting an EIR under CEQA. The stakeholders argue this revision would obviate duplicative and often time-consuming and expensive process

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<sup>21</sup> Public Utilities Code § 451,701,702,761, 762,768,770, and 1001

<sup>22</sup> Public Utilities Code §564

<sup>23</sup> CPUC, "CPUC To Update Transmission Siting Regulations To Address Electricity Reliability and Climate Goals"; <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-to-update-transmission-siting-regulations-2023>

<sup>24</sup> The settling parties are SCE, PG&E, SDG&E, San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Bear Valley Electric Service, Inc., Liberty Utilities (CalPeco Electric) LLC, PacifiCorp, American Clean Power, Independent Energy Producers Association, Center for Energy Efficiency and Renewable Technologies, Environmental Defense Fund, LS Power Grid California LLC, REV Renewables, LLC, Large-Scale Solar Association, California Energy Storage Alliance (CESA), Horizon West Transmission, LLC, Trans Bay Cable LLC, GridLiance West LLC, and the City of Long Beach, California, a municipal corporation acting by and through its Board of Harbor Commissioners.



whereby CPUC staff and retained consultants preparing CEQA documents essentially re-write the entire environmental analysis already contained in the PEA.

- Allow CAISO’s findings in the TPP to support the CPUC’s CEQA process rather than having CPUC start over with new “project objectives”, “reasonable range of alternatives”, and “overriding considerations”—all of which drive the scope, timeframe, and cost of CEQA review.
- Apply a 270-day time limit for the CPUC’s CEQA process – the same that AB 205 applied to the CEC.

When the CPUC approved Phase 1 in December 2023, it addressed the Settlement Agreement by noting that issues addressed in the Settlement Agreement were outside of the Phase 1 scope and that the Settlement Agreement therefore would be considered during Phase 2.

*Phase 2 Staff Proposal.* In May 2024, the CPUC issued a Phase 2 Staff Proposal with recommendations for various approaches to the changes sought in GO 131-D, including consideration of comments and the settlement agreement. However, the Staff Proposal did not recommend a 270-day time limit, for the CPUC’s CEQA process stating it would be inconsistent with CEQA Guidelines. In December 2024, sent out the staff proposal soliciting public comments.

*GO-131 E Reforms.* On January 30, 2025, the CPUC adopted a new General Order (GO) 131-E, replacing the previous GO 131-D.<sup>25</sup> The new order establishes updated rules for the permitting, approval, and construction of electric transmission lines, substations, and generation facilities. It also clarifies and streamlines the regulatory process, as directed by Senate Bill (SB) 529 (Hertzberg, 2022). Some of these reforms include:

- *Allow Applicant-Prepared Draft Versions of Environmental Documents:* Transmission project applicants may submit draft California Environmental Quality Act (CEQA) documents alongside their applications, providing an alternative pathway that can accelerate environmental review. This approach reduces duplication and allows applicants to complete much of the required analysis in advance, streamlining the overall permitting process.
- *Require Pre-Filing Consultation:* Transmission project applicants are now required to meet with CPUC staff at least six months before submitting their applications. This early engagement is intended to clarify requirements, address potential issues in advance, and support a more efficient and coordinated review process.
- *Authorize Pilot Program to Explore Faster CEQA Review:* A pilot program will be created to track CPUC CEQA review timelines and explore the potential for a faster CEQA review process for certain electric transmission projects.
- *Implement Presumption of Need for Projects:* A “rebuttable presumption” will be implemented per Assembly Bill 1373 that when the California Independent System

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<sup>25</sup> CPUC Information Sheet, “CPUC Adopts Decision to Streamline Transmission Permitting”; January 30, 2025”

Operator (CAISO) transmission planning process has already determined that a project is needed, the CPUC will defer to that determination of need. This would streamline the CEQA review by removing CEQA's alternative analyses for projects already determined to be needed by the CAISO.

- *Clarifies Key Terms: Defines key terms*—such as “existing electrical transmission facilities,” “extension,” “expansion,” “upgrade,” “modification,” “equivalent facilities or structures,” and “accessories”—to clarify which types of electrical projects require formal permits or applications and which are exempt. These definitions help ensure consistent interpretation of permitting criteria by agency staff, applicants, and other stakeholders.

AB 205 (Committee on Budget, Chapter 61, Statutes of 2022) established a new opt-in environmental review certification program at the CEC, including for solar photovoltaic, terrestrial wind, geothermal, and other non-fossil, non-nuclear power plants with a generating capacity of 50 MW or more, for energy storage systems capable of storing 200-megawatt hours or more of electricity, and for transmission lines from those facilities to a point of connection with an electrical transmission system. Before AB 205, the CEC's siting authority was limited to thermal power plants with capacities of 50 megawatts (MW) or more.

#### COMMENTS:

- 1) *Author's Statement.* According to the author, “California has set bold targets to achieve carbon neutrality by 2045, but to get there, we must rapidly expand and modernize our electric grid. Right now, unnecessary permitting delays are slowing down essential energy projects, putting both our climate goals and grid reliability at risk. This is a simple bill that sets clear and reasonable deadlines while maintaining full public participation and rigorous environmental standards. We can have both a strong environmental review process and an efficient timeline to build the infrastructure needed to transition to clean energy and protect our communities from the devastating impacts of climate change.”
- 2) *270-Day Timeline.* As eluded earlier, the CEC's recently-created opt-in siting authority allows those proposing to construct certain types of facilities (including transmission lines from certain generation or storage facilities but only to a point of junction with the electrical grid) to file an application for certification (AFC) with the CEC. The CEC is required to review and make a determination on the AFC within 270 days, but can extend that period under specified circumstances. This bill seeks to establish a similar timeline for the CPUC's environmental review of a priority project as defined, of no later than 270 days after the project is complete, except as specified. While this time period largely duplicates the approach taken in the CEC opt-in siting process, it is unclear if that is prudent given the differences in the underlying projects being sited.

For example, all new power plant projects must go through environmental review, typically at the local level or through the new opt-in process at the state level. But as noted above, over 90% of investor-owned utility transmission projects are already exempt from CEQA, leaving largely the most complicated and biggest as the few still subject to environmental review by the CPUC.

As of today, eight generation and storage projects have filed to use the CEC opt-in siting process, but none have yet been certified to date. For the first project to file to use this process in early 2023, the CEC has had to extend the review period due to substantial changes, consistent with existing law.<sup>26</sup> It took about 11 months (approximately 330 days) for the CEC to deem this project complete. Given that the opt-in siting process is relatively new, it is unclear whether replicating this 270-day timeline is practical for the CPUC in this case.

- 3) *Implementation Remains in Question.* Under Section 15107 of CEQA, lead agencies must complete a Negative Declaration within 270 days of deeming an application complete—including an initial 180-day timeline with an optional 90-day extension. Similarly, Section 15108 of the CEQA Guidelines requires lead agencies to complete and certify an Environmental Impact Report within 455 days of accepting an application as complete—including a 365-day timeline and an optional 90-day extension. These overall timeframes also include specific deadlines for key steps in the CEQA process, such as the public review period for draft documents. However, as outlined in Section 15110 of the CEQA Guidelines, projects requiring federal review under the National Environmental Policy Act (NEPA) may require additional time. As such, it is yet to be determined how the CPUC will be able to certify CEQA documents and issue permit decisions for the proposed projects within the proposed 270-day timeframe—regardless of whether the project requires an Environmental Impact Report (EIR) or a negative declaration, and irrespective of any concurrent NEPA review.

Additionally, project delays can also stem from factors beyond the CPUC's purview. Even when the CPUC serves as the lead agency for CEQA review, overlapping state and federal permitting requirements could complicate and delay the permitting timelines. For instance, projects that cross federally managed lands may trigger NEPA review, while others may require specialized permits to address potential impacts on sensitive resources such as waterways, coastal areas, or special-status species. CEQA's mandate to coordinate with these agencies introduces additional uncertainty to the permitting process. Public opposition can also contribute to delays, often requiring CPUC to expand outreach and consultation, and, in some cases, CPUC is required to respond to legal challenges. Therefore, it is uncertain how the CPUC would be able to comply with the 270-day timeline as this bill mandates when delays are caused by factors outside its jurisdiction.

Meeting the 270-day requirement as required by this bill may require additional legislative changes—such as eliminating the need to study routing alternatives. Doing so could risk inadequate siting analysis and limit the review of cost and need for these long, linear projects, which often span multiple jurisdictions. The inability to meaningfully study routing alternatives could impact the CPUC's ability to thoroughly review the cost and need for a project.

- 4) *Consider Sunset Provision.* As noted earlier in the background, CEQA generally requires public agencies to inform decision-makers and the public about the potential

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<sup>26</sup> CEC, Letter on *Applicability of Public Resources Code Section 25545.4(e)(2) and Schedule Change for the Fountain Wind Project*, CEC Docket No. 23-OPT-01, dated March 28, 2024.

environmental impacts of proposed projects, ways to reduce those environmental impacts to the extent feasible, and to indicate alternatives to the project. As such, the author may wish to include a sunset provision in this measure to enable legislative review by appropriate committees of the Legislature in the future.

5) *Related Legislation*

SB 330 (Padilla, 2025) would authorize the Governor to establish one or more pilot projects to develop, finance, or operate electrical transmission infrastructure that meet the specified criteria, including, among other things, that the transmission line is identified by the CAISO in its transmission planning process as necessary to support clean energy generation to meet the state's clean energy goals. Status: Senate Utilities & Energy Committee

AB 745 (Irwin, 2025) would, consistent with the commission's authority to review and approve new transmission line projects undertaken pursuant to the Independent System Operator planning process, require the commission to review and approve or deny transmission line projects, including the extension, expansion, upgrade, or other modification of existing transmission lines, initiated by an electrical corporation based on the appropriateness and cost-effectiveness of the projects. Status: Assembly Utilities & Energy Committee

6) *Prior Legislation*

AB 551 (Bennett, 2023) authorizes the CPUC to adopt guidelines at a publicly noticed meeting to carry out its review of applications for the construction of electrical transmission facilities, and makes other changes to help reduce delays in processing these requests. Status: Chapter 299, Statutes of 2024.

AB 2292 (Petrie-Norris, 2024) repeals the requirement that the CPUC consider alternatives to prospective transmission projects before issuing a CPCN approval. The bill is pending in this committee. Status: Chapter 709, Statutes of 2024

SB 1006 (Padilla, 2024) requires electrical transmission utilities, by January 1, 2026, to study grid-enhancing technologies to cost-effectively increase transmission capacity and to identify which of its transmission and distribution lines can be reconductored with advanced reconductors. Status: Chapter 597, Statutes of 2024

SB 420 (Becker, 2023) Removes the requirement on new electrical transmission facility projects less than 138 kilovolts (kV) proposed by the state's six largest investor-owned utilities (IOUs)<sup>1</sup> from a determination of need from the California Public Utilities Commission (CPUC) before construction. These new projects must either be located on previously disturbed land, located in an urbanized area or be part of a project that has undergone a California Environmental Quality Act (CEQA) review. Excludes from eligibility projects that are located in wetlands, any un-remediated hazardous waste site, or critical habit, as specified. Status: Vetoed By Governor

SB 619 (Padilla, 2023) Authorizes an electrical corporation, at the time it files an application with the CPUC for a Certificate of Public Convenience and Necessity

(CPCN) or Permit to Construct (PTC) for new construction of any electrical transmission facility 138 kilovolts (kV) or greater to, at the same time, submit an application for that facility to the CEC. Prohibits the CEC from considering the necessity for the electrical transmission facility. Status: Vetoed By Governor

AB 1373 (Garcia) among other things, requires the CPUC, in a proceeding when evaluating the issuance of a certificate of public convenience and necessity for a proposed transmission project, to establish a rebuttable presumption with regard to the need for the proposed transmission project in favor of an Independent System Operator governing board-approved need evaluation if specified requirements are met. Status: Chapter 367, Statutes of 2023.

AB 205 (Committee on Budget) allowed certain energy projects, including electric transmission lines between certain non-fossil fuel energy generation facilities, to become certified leadership projects under the Jobs and Economic Improvement Through Environmental Leadership Act of 2021 through a certification process through the CEC. With this certification, actions or proceedings related to the certification of an environmental impact report need to be resolved within 270 days to the extent feasible. Status: Chapter 61, Statutes of 2022

SB 529 (Hertzberg) exempted an extension, expansion, upgrade, or other modification of an existing transmission line or substations from the requirement of a CPCN and directs the CPUC to revise its general orders, by January 1, 2024, to instead use its PTC process for these approvals. Status: Chapter 357, Statutes of 2022.

SB 887 (Becker) directed, among other provisions, the CPUC, on or before January 15, 2023, to request CAISO to identify the highest priority anticipated transmission facilities that are needed to deliver renewable energy resources or zero-carbon resources. Status: Chapter 358, Statutes of 2022.

SB 7 (Atkins, Chapter 19, Statutes of 2021) extended the Jobs and Economic Improvement Through Environmental Leadership Act, specifically providing the Governor until January 1, 2024, to certify a project and the Act will be repealed by its own provisions on January 1, 2026. Status: Chapter 19, Statutes of 2021.

- 7) *Double Referral*. This bill is double-referred; upon passage in this Committee, this bill will be referred to the Assembly Committee on Natural Resources.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California State Association of Electrical Workers  
Clean Power Campaign  
Climate Reality Project, San Fernando Valley  
Coalition of California Utility Employees  
Environmental Defense Fund  
Independent Energy Producers Association  
Invenergy, LLC

Large-scale Solar Association  
Pacific Gas and Electric Company and Its Affiliated Entities  
San Diego Gas and Electric Company  
Silicon Valley Leadership Group

**Opposition**

Anza-borrego Foundation  
Borrego Village Association  
California Farm Bureau  
California Overland Desert Excursions  
Protect Our Communities Foundation  
Tubbs Canyon Conservancy

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